

Unlicensed raffles or other forms of gambling prohibited by law shall not be conducted on the premises where bingo is being conducted. See 86 Ill. Adm. Code 430.160. (This is a GIL.)

April 20, 2006

Dear Xxxxx:

This letter is in response to your letter dated January 30, 2006, addressed to the Office of Bingo and Charitable Games in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Pursuant to your request today, you asked that I write to you to pose my regulatory question. Once again my question is: Are there any unique regulatory issues, restrictions or other matters that would prohibit or discourage the use of a property as a Bingo Hall, if one of the tenants of the same property is an Off Track Betting Parlor licensed by the State? Specifically, we are looking to either rent or buy the property located at ADDRESS. We have no contracts with the owner, and do not have the names of the individuals who own or run the Off Track Betting parlor. We have only looked into this via a real estate agent. It is my understanding that the current owners would like to sell the property and lease space while they try and find a new location. The property consists of a two story building on a hill, and thus has external entrances to each floor. The scenario I am concerned about is if Bingo is operated in the lower level and Off Track Betting takes place on the first floor, there will obviously be two separate "gaming" activities going on at the same site.

As you mentioned, there may be a concern that there is a migration of one group's customers to the other groups' site. If possible, I would like to know if this potential use is problematic. If it is, we would simply continue on looking at other sites. Thank you again for your advice and information.

DEPARTMENT'S RESPONSE:

The Department's regulation governing bingo providers under the Bingo License and Tax Act, 86 Ill. Adm. Code 430.160(e)(1), states "[u]nlicensed raffles or other forms of gambling prohibited by law shall not be conducted on the premises where bingo is being conducted. Illegal gambling includes, but is not limited to, gambling among those in attendance at the bingo session."

Providing the Off Track Betting parlor is conducted in conformity with the Illinois Horse Racing Act of 1975, there is no prohibition in the Bingo License and Tax Act that would prohibit the play of bingo in the same building as that of an Off Track Betting parlor. The Department of Revenue does not administer the Illinois Horse Racing Act of 1975; therefore you would need to check with the appropriate authorities under that Act to make sure you are not violating any provisions under the Illinois Horse Racing Act of 1975.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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